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**State Government & Tribal Affairs  
Committee**

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**HB 1198**

**Brief Description:** Changing public works bid limits.

**Sponsors:** Representatives Haigh, Kristiansen, Hunt and Armstrong; by request of Capital Projects Advisory Review Board.

**Brief Summary of Bill**

- Increases public works bid limits.

**Hearing Date:** 1/23/09

**Staff:** Marsha Reilly (786-7135)

**Background:**

Most public entities are required to use the open competitive bid process for public works projects estimated to cost above a certain dollar figure. Projects estimated to cost below the limits can be performed by in-house staff or contracted out without competitive bid. In most instances, the dollar figure varies based on how many trades are required for the project. Different public entities have different bid limits. The basic proposition of competitive bidding procedures is that the contract is awarded to the lowest responsible bidder.

Various bid limits are included in Table 1:

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Table 1. Self Performance and Bid Limits for Public Works**

	<b>Dollar Limits for Self Performance/No Bid Requirements</b>	<b>Last Increase</b>
<b>School Districts</b>	<\$40,000	2005
	\$40,000 - \$100,000 - competitive bid	
	> \$100,000 - formal bid	
<b>Universities</b>	< \$35,000 for 1 trade < \$55,000 for 2+ trades	2007
<b>Community Colleges</b>	< \$35,000 for 1 trade < \$55,000 for 2+ trades	2007
<b>First Class Cities</b>	<10% of public works budget, including work by county; <b>and</b>	2002
> 150,000 population	<\$70,000 2+ trades and <\$90,000 after 1/1/2010 <\$35,000 1 trade and <\$45,000 after 1/1/2010	
<150,000 population	<\$50,000 2+ trades and <\$65,000 after 1/1/2010 <\$30,000 1 trade and <\$40,000 after 1/1/2010	
<b>Second Class Cities</b>	<\$45,000 or < \$60,000 after 1/1/2010 <\$30,000 1 trade or <\$40,000 after 1/1/2010	2002
<b>Counties</b>	<10% of public works budget; <b>and</b>	1986
> 1,000,000 population	<\$70,000 2+ trades <\$25,000 1 trade	
<1,000,000 population	<\$10,000	1993
<b>Fire Protection Districts</b>	<\$2,500	1984
<b>Water Sewer Districts</b>	<\$10,000	2003
<b>Public Utility Districts</b>	<\$25,000 <\$150,000 for maximum cost of materials	2008
<b>Hospital Districts</b>	<\$50,000	2002
<b>Ports</b>	<\$200,000	2007
<b>State Agencies</b>	No bid limit	

**Summary of Bill:**

Bid limits for certain public entities are changed, as follows:

	Single Trade	Multiple Trades
Higher Education:	\$45,000	\$90,000
1st Class Cities:	\$45,000	\$90,000
2nd Class Cities:	\$40,000	\$65,000

Code Cities > 20,000	\$40,000	\$65,000
Code Cities < 20,000	\$40,000	\$65,000
Counties over one million	\$45,000	\$90,000
Other counties	\$40,000	\$40,000

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.